



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 12, 2006

REPORT NO. 06-037

ATTENTION: Public Safety and Neighborhood Services Committee

SUBJECT: Emergency Medical Services (EMS) Program
Change in Average Patient Charge

REQUESTED ACTION:

This is an information item only. No action is required on the part of the committee or the City Council.

STAFF RECOMMENDATION:

Accept the report.

SUMMARY:

In 1996, the City Council directed the redesign of the City's Emergency Medical Services System. This redesign resulted in a system which was configured to provide optimal EMS service to citizens while establishing fiscal viability of the system to ensure continued service.

The EMS system consists of two primary providers of service – the transportation component provided by San Diego Medical Services Enterprise, LLC (SDMSE) and the first responder component provided by the San Diego Fire-Rescue Department (SDFD). Through the EMT-Paramedic Services Agreement, the County of San Diego grants authority to the City to provide EMT-Paramedic services within the boundaries of the City, and adjacent jurisdictions through mutual and automatic aid agreements. In addition, the Agreement requires the appointment of an EMS Program Manager to serve as liaison between the various agencies operating within the service area and to provide independent oversight of the EMS system. The administration and oversight of the Agreements with SDMSE, SDFD and the County are the responsibility of the EMS Program Manager.

SDMSE through the San Diego Fire-Rescue Department (SDFD) and Rural/Metro of San Diego work together to provide EMS services to the citizens of the City of San Diego. SDMSE is currently in its ninth year of operation.

The Third Amended and Restated Agreement between San Diego Medical Services Enterprise, LLC and the City of San Diego (City Agreement) and, the Third Amended and Restated Agreement between San Diego Medical Services Enterprise, LLC and Rural Metro of San Diego, Inc (Rural Agreement) went into effect on December 1, 2004. Section 10.2.2 of the City Agreement and Section 10.6.2 of the Rural Agreement allow for an annual increase in the maximum average fee per transport. The minimum baseline for any increase is the combined Medical and Transportation CPI, for the most recent twelve (12) month calendar period. As of July 1, 2005, the maximum average fee or Average Patient Charge (APC) for medical transportation originating from the 9-1-1 service was set at \$829.00 (gross).

In Fiscal Year 2006, SDMSE experienced a significant cost increase in City of San Diego fringe benefit charges. Section 10.2.3 of the City Agreement and Section 10.6.3 of the Rural Agreement allow for adjustments to the APC, above the annual Consumer Price Index (CPI) increases, to reflect increases in costs beyond the control of SDMSE. As a result, as outlined in City Manager's Report 05-216, dated October 26, 2005, effective October 1, 2005 the maximum average fee or APC for medical transportation originating from the 9-1-1 service was increased to \$841.00 (fees may be higher or lower based on the level of service rendered).

FISCAL CONSIDERATIONS:

During Fiscal Year 2006 SDMSE is also experiencing significant increases in the cost of fuel. As stated in City Manager's Report 05-216, it was anticipated this issue would be addressed later in the fiscal year as additional information regarding actual expenses became available. Six months of Fiscal Year 2006 data is now available which reflects fuel costs from July through December 2005 to be approximately \$71,000 higher than originally anticipated.

Additionally, SDMSE was required to relocate ambulance and employee parking from Montgomery Field to City owned undeveloped property located at Interstate 15 and Aero Drive. SDMSE entered into lease agreement Document #RR-299934 with the City for this property. To accomplish this move, it was necessary to construct a secure parking facility at this location. The original estimated cost to construct the facility was approximately \$200,000. However, as design and later construction occurred, the costs were determined to be significantly higher, at approximately \$380,000.

The following is a breakdown of the increased costs and their effect on the APC:

	<u>Amount</u>	<u>APC Effect</u>
Fuel (July-Dec)	\$ 70,000	\$14.41
Parking Facility	\$180,000	<u>\$37.04</u>
TOTAL		\$51.45

To support this additional cost, effective April 1, 2006 the maximum average fee or APC was increased to \$892.00 (fees may be higher or lower based on the level of service rendered). This increase represents a temporary surcharge which will be in effect for three months, ending on June 30, 2006. In accordance with the agreements, this increase has been reviewed and approved by the City of San Diego EMS Program Manager. No action is required by the City Council. This change represents a temporary increase of approximately 6.1%.

PREVIOUS COUNCIL/COMMITTEE ACTION:

None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None

Respectfully submitted,

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Program Manager

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Public Safety/Homeland Security

GOLDSMITH/DG